

June 2011

Draft Minutes of May 19, 2011 Board Meeting

Board members present

Charley Bingham
Roberta Greene
Bill Grinstein
Earl Hale
Jesus Hernandez
Sam Shaddox
Sam Smith

Welcome and introductions

HECB Vice Chair Earl Hale opened the meeting at 9:00 a.m. and asked the members of the audience and the Board to introduce themselves.

Dr. Loren Anderson, president of Pacific Lutheran University (PLU), welcomed everybody to the PLU campus. There are approximately 3,600 students enrolled at PLU. They come from 40 states and 20 foreign countries, along with many Washington residents. Thirty-four percent of them are first-generation students. PLU specializes in business and nursing programs and enrollment has been steady even through the economic downturn. Anderson emphasized the importance of HECB's statewide higher education coordination role.

Consent agenda items approved

Action: Roberta Greene moved for approval of the Board's March meeting minutes and three new degree programs:

- UW Bothell, Master of Fine Arts in Creative Writing and Poetics, *Resolution 11-06*
- UW Seattle, Master of Science in Computational Finance and Risk Management, *Resolution 11-07*
- WSU, Master of Arts and PhD in Prevention Science, *Resolution 11-08*.

Sam Smith seconded the motions, which was unanimously approved.

Report of the Executive Director

Don Bennett, HECB executive director, provided a report on state financial aid programs:

- Washington Scholars recipients have been selected and notified the scholarship will be contingent upon funding.

- Over 16,000 applications have been received for College Bound this year; 60 percent of eligible 8th graders have applied; deadline for applications is June 30.
- Spring State Need Grant reporting shows the trend of unserved students continues in 2010-11, estimated at 30,000 students.
- The GEAR UP program is preparing an application for round three of its federal grant, which would provide an additional \$35 million in federal funding over six years. Washington is frequently acknowledged as a national leader in the GEAR UP program. Weiya Liang, HECB GEAR UP director, was invited to represent the GEAR UP program in Washington DC with the National College Access Network.

Proposed Changes to the Direct Transfer Agreement Approved

Bennett described the changes being proposed to the Direct Transfer Agreement (DTA). RCW 28B.76.240 requires the HECB to adopt statewide transfer and articulation policies that ensure efficient transfer of credits and courses across public two and four-year institutions of higher education.

For the past 25 years, the DTA suggested that after completing two courses in composition, remaining credits could be from courses such as speech or debate. But in practice, very few students have any credits remaining after taking two composition courses. The proposed change will make the communications requirement clearer and align the requirement with current course credit practices. It has been approved by the Joint Academic Officers Group and has been widely discussed among the two-year college system and the four-year universities. All parties believe the change is beneficial.

Action: Jesus Hernandez moved for approval of **Resolution 11-09** to change the communications requirement for the Direct Transfer Agreement. **Charley Bingham** seconded the motion, which was unanimously approved.

HECB Staff Recognition

Bennett announced that John Lederer, HECB academic affairs associate director, was leaving to join the Seattle Community College District as research director. Chris Thompson, HECB government and legislative director, was joining the Independent Colleges of Washington as director of government and public relations.

Action: The Board adopted **Resolutions 11-10** and **11-11** expressing appreciation for the contributions and good work of John Lederer and Chris Thompson for the students of Washington State.

Update on the 2011 Legislative Session

Thompson presented a summary of higher education policy legislation, including:

- ESSHB 1795 by Rep. Reuven Carlyle, which would significantly overhaul tuition policy in Washington.
- Opportunity Scholarship, ESHB 2088, intended to provide financial assistance to middle- and lower-income resident students intending to obtain a baccalaureate degree.
- Aerospace Training Loan Program, ESHB 1846, directing the HECB to establish a program to provide low-interest loans to students enrolled in aerospace training or education programs offered by either the Washington Aerospace Training and Research Center or the Spokane Aerospace Technology Center.
- Caseload Forecasting, SB5304, requiring the Caseload Forecast Council to forecast the number of students who will be eligible for the College Bound Scholarship program and will attend postsecondary education.
- Legislation to eliminate the HECB and to create a new office of financial assistance and a council on higher education.
- State Actuary review of the GET program to ensure long-term fiscal stability.
- Transferring the management and leadership of the University Center at Everett Community College to Washington State University.

Additionally, Thompson reported that all three HECB-request bills passed the Legislature with no amendments and were signed into law by the Governor.

- Doctoral Programs at Branch Campuses
- Financial Aid Administrative Consistency
- Health Sciences and Services Authority Reporting

Charley Bingham was re-appointed to another four-year term, and the appointment of Addison Jacobs was approved by the Senate. Samuel Shaddox's appointment was in the Senate Rules Committee.

2011-13 Higher Education Budget Status

Jim Reed, policy and planning coordinator, provided a status report on the 2011-13 higher education budget.

On the operating budget, the Governor's, House, and Senate budgets would appropriate fewer state dollars to the public colleges and universities than recommended by the HECB. Specifically, all three proposals would decrease state support by about 20 percent. Additionally, the Governor, House, and Senate all call for increasing tuition *revenue* (18 percent, 20 percent, and 20 percent respectively).

When the decline in state funding is combined with increases in tuition revenue, each proposal comes close to the HECB's "foundation level" budget recommendation. Specifically, total funding (state funds plus tuition) for the public institutions would be reduced by 5 percent in the Governor's proposal and 4 percent in the House and Senate budgets. But significant tuition increases account for the close differences.

Regarding the capital budget, Reed provided the prioritized lists of capital projects adopted by the HECB. The lists show which projects are proposed for funding by the Governor, the House Capital Budget Committee, and the Senate Ways and Means Committee. Additionally, Reed showed a table that summarized the total cost of all prioritized projects by sector, and showed the alternative capital funding levels being proposed by the Governor, the House Capital Budget Committee, and the Senate Ways and Means Committee.

Strategic Master Plan Update

Bennett introduced the discussion with a summary of the broad objectives of the strategic master plan; the context, scope, and process of the master plan update.

President Loren Anderson and Violet Boyer, president and CEO of the Independent Colleges of Washington (ICW), gave a joint presentation on how independent colleges and universities contribute to the state's higher education goals.

Independent colleges and universities produce nearly 25 percent of Washington's degrees annually. A recent HECB report on statewide transfer patterns found that students at the state's two-year colleges are transferring to the independent colleges and universities in much greater numbers, in part because there is not enough transfer capacity at the state's four-year public universities.

Anderson emphasized the integrated nature of the public and private higher education effort in Washington. Most of PLU's graduates who go on to further education do so in graduate programs at the UW or WSU, he said.

Rep. Larry Seaquist, Chair, House Higher Education Committee

The Board invited Rep. Larry Seaquist (who was in the audience) to talk about E2SSB 5182, a bill that proposes to establish a new Council on Higher Education. As amended by the House Ways & Means Committee, the bill would eliminate the HECB effective July 1, 2012. It authorizes a steering committee appointed by the Governor to study and make recommendations by December 2011 about the organization and responsibilities of the new higher education council.

Student financial aid administration would become the responsibility of a separate Office of Student Financial Aid with a director appointed by the Governor. Administrative oversight for the Guaranteed Education Tuition (GET) program also would be transferred to the new student aid office.

Rep. Seaquist said significant improvement to higher education funding is needed. He plans to develop a bill for the next legislative session that would lay out a grand strategy to increase both funding and higher education attainment in Washington. His strategy would include a series of public meetings held on four- and two-year campuses around the state, both public and private, during summer-fall. The last meeting (possibly November) will be a strategic planning session to sketch out his grand strategy.

Bennett said the HECB will continue to work on updating to the 2008 Strategic Master Plan that is required this December, produce various planning and accountability reports required by the Legislature, and carry out its administrative responsibilities for financial aid and GET.

POLICY PLANNING BRIEFINGS

Jan Ignash, deputy director for policy, planning and research, provided context for the discussion on the master plan objective of promoting workforce development, growth and innovation.

• **Regional Needs Analysis Report**

John Lederer, HECB associate director of academic affairs, reviewed highlights of the *2011 Regional Needs Analysis Report*, which forecasts the most rapidly growing employment fields in Washington through 2018, and the types of degrees that will be needed to meet that workforce demand.

The report notes that higher education capacity (especially at the graduate level) is highly concentrated in King County and, to a lesser extent, Spokane and Pullman. Demographic trends, policy, and economic factors will continue to spur the need for additional capacity to produce high-demand degrees outside these population centers, the report notes.

The strongest statewide demand for degree holders continues to be in the STEM degrees: science, technology, engineering, and mathematics; in the health sciences (nursing, allied health, medicine, biosciences); in specific teaching fields (science and mathematics); and in the areas of business management and accounting.

Past reports have indicated Washington is not producing enough high-demand degree holders – especially in the STEM fields – to meet its current and future needs. For every 100 baccalaureate degree holders Washington produces, it imports 76. For every 100 graduate degree holders it produces, it imports 125. This over-reliance on importing talent is not a sustainable long-term strategy to maintain the state's competitiveness in a global, knowledge-driven economy.

The report emphasizes that higher education institutions are in a good position to identify regional employment supply gaps in consultation with local employers and agencies.

Some of the report's key findings:

- Student demand for access to higher education will continue to increase in the next 10 years, driven by federal and state policy, goals and incentives. Many ‘new’ students will come to higher education directly from high school, and more adults in the workforce are expected to enroll – including those who may have stopped out for a while.
- In Washington, it is estimated 67 percent of all jobs by 2018 will require some postsecondary education. (Nationwide, 63 percent of jobs will require postsecondary education by 2018). About 20 percent of the Washington jobs will require some college but no degree. About 47 percent will require an associate degree or higher.
- The number of job openings for those who receive graduate degrees significantly exceeds Washington’s 2009 graduate degree production level, taking into account the many graduate degree recipients who continue to additional education, remain in their same job, leave the labor force, or leave Washington after receiving their degree to take jobs elsewhere.

Earl Hale questioned the operational value to institutions of HECB reports such as the regional analysis just presented. He said staff members need to work more closely with the institutions to make sure the data they collect and report on are valid and useful.

- **Baccalaureate Follow-up Report**

Christy England-Siegerdt, HECB associate director for research, presented the results of the state's first baccalaureate follow-up study, which followed baccalaureate degree graduates to determine the extent to which they were able to secure employment in Washington or continue their education.

The report showed that in 2005-06 and 2006-07, more than 39,000 students graduated from a public four-year institution.

1. Did they get jobs? Three-fourths worked at least one quarter in Washington in Year 1; over half worked all year.
2. Where did they find work? In educational services; professional, scientific and technical services; health care and social assistance; and in retail trade.
3. How much did they earn? On average, \$36,000 in Year 1.
4. Do they continue with their education? One in five right away and most of them at a Washington institution.

Tina Loudon, Director of Western Washington University’s Academic & Career Development Services, and Aaron Ignac, WWU Assistant Director of Operations, Career Services Center,

presented the 2009-10 results of Western Washington University's annual alumni employment survey. Seventy-two percent of graduates who responded to the survey reported employment, with 44 percent employed in field-related positions, and an average starting salary of \$34,068. Among the respondents, 14.3 percent continued their education to graduate and professional competitive programs across the nation.

- **Implementing System Design – Test Case**

Ignash reported on an analysis of the current and future degree production needs in the Skagit/Island/Snohomish region. Heavily populated areas like Snohomish County that do not have a resident four-year university figure prominently in system design planning.

In developing the system design plan, the HECB found that not enough capacity exists within the existing institutions to either meet the 2018 degree production targets set in the Strategic Master Plan for Higher Education or to accommodate forecast population growth to 2030.

The meeting adjourned at 3:30 p.m.